FINRAFoundation.org/NFCS

FINRA Investor Education FOUNDATION

Results from the FINRA Investor Education Foundation National Financial Capability Study (NFCS)

Summary of Selected Findings: Indiana

	State	Nation	Region	
Making Ends Meet				
Difficulty covering expenses and paying bills				
Very difficult	11%	10%	10%	
Somewhat difficult	33%	33%	32%	
Not at all difficult	55%	54%	56%	
Spending vs. saving				
Spending less than income	43%	43%	42%	
Spending about equal to income	35%	34%	37%	
Spending more than income	17%	19%	18%	
Overdraw checking account occasionally	17%	21%	19%	*Respondents with checking accounts*
Have unpaid medical bills	21%	22%	21%	
Number of times mortgage payments have been late				
Once	9%	8%	8%	*Respondents with mortgages*
More than once	4%	9%	7%	
Have taken a loan from retirement account in past year	8%	14%	15%	*Respondents with defined contribution retirement accounts*
Have taken a hardship withdrawal from retirement account in past year	13%	14%	16%	
Have experienced large unexpected drop in income in past year	24%	26%	24%	
Planning Ahead				
Have emergency funds	51%	53%	52%	
Do not have emergency funds	45%	43%	42%	
Have tried to figure out retirement savings needs	35%	39%	38%	*Non-retired respondents*
Have not tried to figure out retirement savings needs	59%	55%	56%	
Have set aside money for children's college education	35%	40%	41%	*Respondents with financially dependent children*
Have not set aside money for children's college education	59%	54%	53%	
Retirement Accounts				
Have employer-provided retirement plan (e.g., pension, 401(k))	50%	49%	50%	*Non-retired respondents*
Have non-employer retirement plan (e.g., IRA, Keogh, SEP, etc.)	28%	26%	26%	
Regularly contribute to retirement account	84%	79%	79%	*Respondents with defined contribution retirement accounts*

	State	Nation	Region	
Stocks, Bonds, and Mutual Funds				
Invest in stocks, bonds, mutual funds, or other securities outside of retirement account	33%	35%	33%	

Managing Financial Products

	State	Nation	Region	
Banking				
Have checking account	89%	91%	91%	
Have savings account, money market account, or CDs	71%	72%	73%	
Credit Cards				
Credit card behaviors in past year				
Always paid credit cards in full	59%	59%	60%	
Carried over a balance and was charged interest	40%	43%	41%	
Paid the minimum payment only	36%	35%	34%	*Respondents with credit cards*
Charged a late fee for late payment	17%	17%	16%	
Charged an over the limit fee for exceeding credit line	12%	11%	11%	
Used the cards for a cash advance	10%	15%	14%	
Mobile Payment Methods				
Use mobile phone to pay at point of sale	38%	43%	39%	
Use mobile phone to transfer money to another person	48%	53%	49%	
Mortgages				
Have mortgage	51%	51%	49%	*Homeowners*
Have home equity loan	10%	12%	12%	
Home “underwater” (negative equity)	5%	7%	6%	*Homeowners*
Other Debt				
Have student loan	19%	23%	22%	
Have auto loan	26%	29%	29%	
Non-Bank Borrowing				
Non-bank borrowing methods used in past 5 years				
Auto title loan	12%	12%	11%	
Short term “payday” loan	14%	15%	15%	
Tax refund advance	9%	11%	11%	
Pawn shop	21%	21%	18%	
Rent-to-own store	13%	14%	13%	
Used one or more non-bank borrowing methods in past 5 years	34%	32%	29%	

Financial Knowledge	State	Nation	Region
Suppose you had $100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow?			
More than $102 (correct answer)	68%	69%	69%
Exactly $102	7%	9%	9%
Less than $102	4%	6%	4%
Don’t know	19%	15%	16%
Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After 1 year, how much would you be able to buy with the money in this account?			
More than today	10%	12%	12%
Exactly the same	10%	11%	11%
Less than today (correct answer)	54%	53%	53%
Don’t know	25%	23%	22%
If interest rates rise, what will typically happen to bond prices?			
They will rise	18%	20%	19%
They will fall (correct answer)	24%	25%	23%
They will stay the same	5%	6%	6%
There is no relationship between bond prices and the interest rate	10%	9%	10%
Don’t know	40%	39%	41%
Suppose you owe $1,000 on a loan and the interest rate you are charged is 20% per year compounded annually. If you didn’t pay anything off, at this interest rate, how many years would it take for the amount you owe to double?			
Less than 2 years	5%	5%	5%
At least 2 years but less than 5 years (correct answer)	27%	30%	27%
At least 5 years but less than 10 years	26%	28%	28%
At least 10 years	9%	7%	9%
Don’t know	31%	28%	30%
Which of the following indicates the highest probability of getting a particular disease?			
There is a one-in-twenty chance of getting the disease (correct answer)	33%	36%	34%
2% of the population will get the disease	13%	13%	13%
25 out of every 1,000 people will get the disease	13%	17%	17%
Don’t know	39%	33%	35%

	State	Nation	Region
A 15-year mortgage typically requires higher monthly payments than a 30-year mortgage, but the total interest paid over the life of the loan will be less.			
True (correct answer)	67%	69%	69%
False	10%	9%	9%
Don't know	22%	22%	21%
Buying a single company's stock usually provides a safer return than a stock mutual fund.			
True	13%	12%	13%
False (correct answer)	41%	42%	41%
Don't know	46%	45%	46%
Mean number of correct quiz answers	3.15	3.23	3.18
Mean number of incorrect quiz answers	1.55	1.63	1.65
Mean number of "don't know" quiz answers	2.22	2.06	2.11

Notes:

Region = East North Central Census Division (Illinois, Indiana, Michigan, Ohio, Wisconsin).

State figures are weighted by age × gender, ethnicity and education.

National figures are weighted by age × gender, ethnicity, education and Census Division.

Census Division figures are weighted by age × gender, ethnicity, education and state.

Differences between groups may or may not be statistically significant.

Percentages may not add up to 100 because of missing or "don't know" responses.

Survey was conducted June – October 2021.

Additional findings and details are available for download at www.FINRAFoundation.org/NFCS.